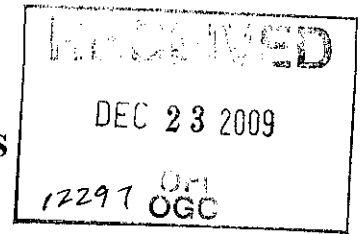


COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-91



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AMERICAN FAMILY FINANCIAL SERVICES, LLC

RESPONDENT

AGREED ORDER

* * * * *

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing mortgage loan brokers, mortgage loan companies, mortgage loan originators, and mortgage loan processors in accordance with the provisions set forth in KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act (the "Act").

2. American Family Financial Services, LLC ("American") is authorized to do business in Kentucky as a licensed mortgage loan broker pursuant to the Act, with its principal office located at 2525 Lebanon Pike, Building C, Suite 200, Nashville, TN 37214.

3. During an examination, DFI discovered that American had utilized four unregistered loan officers to originate mortgage loans during the 2008 calendar year in violation of KRS 286.8-030, which prohibits a mortgage loan broker from employing or using a loan officer who is not registered in accordance with KRS 286.8-255.

4. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, and/or the imposition of fines in an amount up to \$25,000 per violation. *See* KRS 286.8-046; 286.8-090.

5. In this case, DFI assessed a fine against American in the amount of ten thousand dollars (\$10,000.00) for utilizing four unregistered loan officers to originate Kentucky loans, in violation of KRS 286.8-030.

6. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and American agree as follows:

- a. American agrees to a fine assessment in the amount of ten thousand dollars (\$10,000.00) for the violation(s) described herein;
- b. American agrees to and shall pay the total fine assessed herein in two installments of five thousand dollars (\$5,000) beginning with the first installment, which shall be due on the date American signs the Agreed Order and returns it to DFI. Both installment payments shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;
- c. The second installment payment of five thousand dollars (\$5,000) shall be due thirty (30) days from the date the Agreed Order is executed by the Commissioner of DFI;
- d. American agrees to register with DFI all individuals who originate mortgage loans on Kentucky properties on its behalf; and
- e. American shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in the Act and the regulations set forth in 808 KAR Chapter 12.

7. American waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

8. American consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. In consideration of execution of this Agreed Order, American for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that American ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

10. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

11. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 29th day of December, 2006.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 1 day of DECEMBER, 2009.

This 21st day of December, 2009.

Norman C. Thompson

Norman C. Thompson
Compliance Branch Manager
Division of Financial Institutions
Department of Financial Institutions

Michael Kearney

Michael Kearney
Authorized Representative
American Family Financial Services, LLC

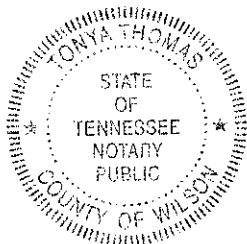
ACKNOWLEDGEMENT

STATE OF TN)
)
COUNTY OF Davidson)

On this the 21 day of Dec, 2009, before me Tonya Thomas, the undersigned, **Michael Kearney**, did personally appear and acknowledge himself to be the Partner of American Family Financial Services, LLC, and that he, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 6-27-2011



MY COMMISSION EXPIRES:
JUNE 27, 2011

Tonya Thomas
Notary Public

Certificate of Service

I, Shaun T. Orme, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 30th day of December, 2009, by first class mail, to the following:

Michael Kearney
Authorized Representative
American Family Financial Services, LLC
2525 Lebanon Pike, Building C, Suite 200
Nashville, TN 37214



Shaun T. Orme
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 282 (phone)
502-573-2183 (facsimile)

Counsel for Complainant